Dear Sir/Madam,

On my initial analysis for PowerCo, I realize that there are mainly two

hypotheses we need to test. Firstly, whether customer churn is driven by

price sensitivity. The second hypothesis is offering customers at high

propensity to churn a 20% might be effective or not.

In order to test these two hypotheses, we need to model the churn

probabilities and effect of prices on churn rate. Because this is a

classification problem, we will be using one or more classification

algorithms such as Logistic Regression, Decision tree, or Random Forest

to name a few.

But in the first step, we need data to do EDA confirm if the churn is driven

by customer price sensitivity. Then we will find the most appropriate

model that fits best.

Once we get the model, we would able to understand the impact of price

on churn rates and we can size the business impact of the second hypothesis.

Kind regards,

Soundarya